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FEDERAL COMMUNICATIONS COMMISSION  
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Before The  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In re Applications of	)	MM Docket No. 99-153
	)	
READING BROADCASTING, INC.	)	File No. BRCT-940407KF
	)	
For Renewal of License of	)	
Station WTVE(TV), Channel 51	)	
Reading, Pennsylvania	)	
	)	
and	)	
	)	
ADAMS COMMUNICATIONS CORPORATION	)	File No. BPCT-940630KG
	)	
For Construction Permit for a New	)	
Television Station to Operate on	)	
Channel 51, Reading, Pennsylvania	)	

To: Magalie Roman Salas, Secretary  
for direction to  
The Honorable Richard L. Sippel  
Administrative Law Judge

MOTION TO ENLARGE ISSUES  
(FALSE STATEMENTS AND MISREPRESENTATIONS  
BY MICHEAL PARKER IN BANKRUPTCY PROCEEDING)

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October 18, 1999

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1. Adams Communications Corporation ("Adams") moves this Court to enlarge issues regarding the qualifications of Reading Broadcasting, Inc. ("RBI") as a result of false statements and misrepresentations in a bankruptcy proceeding on the part of its dominant principal, Micheal Parker.

I. Summary

2. Simultaneously with the commencement of an advantageous economic relationship with RBI through Mr. Parker's wholly-owned company, Partel, Inc., in a broadcast-related bankruptcy proceeding involving creditors having claims well in excess of \$1.4 million, under penalty of perjury, Mr. Parker falsely

represented that he had no ownership interest in Partel, Inc. and falsely concealed that interest by identifying Partel, Inc. only as a creditor, including it in a listing of hundreds of creditors with a post office box address that that was different than his own address as listed in the bankruptcy petition.

3. Mr. Parker's false statements and misrepresentations effectively continued from the filing of the bankruptcy petition in March 1989 until the conclusion of that proceeding on November 1, 1989 based on the Trustee's finding and the Court's acceptance of that finding that no assets were available for distribution to any of the creditors. Accordingly, this misconduct occurred within the license term in question, which commenced August 1, 1989, Character Policy Statement, 102 FCC2d 1179, 59 RR2d 801, ¶¶111-113 (1986), as well as within the ten year policy limitation on raising character issues, id. at ¶105.

## II. Motion timely filed

4. This motion is timely filed. On September 3, 1999, RBI filed a "Motion As to Past Broadcast Experience of Principals of Reading Broadcasting, Inc." in which it referred to Mr. Parker's experience in three bankruptcy situations. With regard to RBI's television station, this motion stated: "Mr. Parker managed Reading's efforts in taking WTVE out of bankruptcy, which was successfully done in 1992." With regard to a television station in Massachusetts, this motion stated: "The station had been dark and the licensee was in receivership. Mr. Parker oversaw the efforts to put the station into operation by arranging for

financing, programming, personnel and equipment. The station was constructed and commenced operation in December 1996." With regard to a television station in Connecticut, this motion stated: "In February 1997 [Mr. Parker's company, Two If By Sea Broadcasting Corp.] constructed and commenced operation of [the station] pursuant to a local marketing agreement with the [trustee in bankruptcy]. Mr. Parker oversaw the efforts to put the station back into operation by arranging for financing, programming, personnel and equipment."

5. On September 13, 1999, RBI filed a pleading in which it made clear that it would rely on this as a positive aspect of Mr. Parker's broadcast experience: "...Adams' showing [regarding an unusually poor broadcast record] fails to acknowledge the positive aspects of Micheal Parker's past broadcast record. As shown in Reading's Motion As to Past Broadcasting Experience of Principals of Reading Broadcasting Inc. ("Reading's Past Broadcasting Motion"), filed September 3, 1999, through Micheal Parker's efforts three stations have been taken out of bankruptcy or receivership and become viable broadcast operations that serve the public's needs and interests [fn. omitted]. The positive showing of Micheal Parker's efforts to restore service to the public by dark stations and take stations out of bankruptcy/receivership proceedings substantially outweighs any negative inference that could be drawn regarding the cancellation of the Anacortes, Washington, construction permit, an incident that occurred over ten years ago."

6. Taking credit for rescuing bankrupt broadcast stations is a highly unusual, if not unique, element of claims of credit for past broadcasting experience, a surprising development that led Adams to address this aspect of Mr. Parker's background in its homework and discovery activities. On September 13, 1999, Adams filed requests seeking documents regarding the past broadcast experience of Mr. Parker and other RBI principals, as well as certain other documents including minutes of RBI shareholder and directors' meetings held during the five year license term. On September 17, 1999, RBI indicated a willingness to provide representative documents regarding past broadcast experience (which Adams agreed to) and opposed the request for minutes, offering only to provide minutes containing a reference to programming (which Adams did not agree to). As of this writing, the representative documents regarding past broadcast experience have not yet been provided and the contested matter of production of minutes has not yet been resolved.

7. Based on an agreement between counsel, the discovery deposition of Mr. Parker was originally scheduled for September 7, 1999, allowing up to three days if needed. This deposition was cancelled due to the unavailability of Mr. Parker. At a meeting of counsel held September 8, 1999, the overall schedule of depositions was reviewed and the deposition of Mr. Parker was rescheduled for the week of September 27, 1999, allowing up to two days if needed. This deposition was cancelled due to Mr. Parker's illness with laryngitis. The deposition of Mr. Parker

was again rescheduled and, in fact, took place on October 6 and 7, 1999.

8. With regard to the minutes of RBI meetings, on October 5 and 8, 1999 this Court issued orders confirming oral rulings governing a procedure by which counsel for Adams reviews the minutes and, if accord is not reached between counsel for the parties, pleadings are to be filed presenting argument on obtaining copies. The minutes were inspected by counsel for Adams in accordance with these rulings on October 6 and 7, 1999.

9. The instant motion is being filed as soon as practicable following notice to Adams in pleadings filed September 3 and 13, 1999, of the highly unusual, if not unique, claim of credit for bankruptcy work by Mr. Parker under the criterion of past broadcast experience and in the expeditious pursuit of discovery by Adams leading to the deposition of Mr. Parker (after two postponements at his initiative) and Adams' review of minutes (contested and delayed due to objections by RBI). Expedited preparation of the deposition transcript was arranged for in order to file this motion as quickly as possible.

10. Given the facts that follow, RBI's claim of credit for any positive role on the part of Mr. Parker in the bankruptcy area is cynical beyond belief. That claim, and evidence of the following facts, will be developed by Adams in cross examination and rebuttal proofs at trial of the comparative issues which embrace past broadcast experience. However, we believe the evidence warrants consideration of an issue to disqualify RBI as

a Commission licensee as well. Hence, the filing of this motion.

III. False statements and misrepresentations by Mr. Parker in his personal broadcast-related bankruptcy proceeding

11. Mr. Parker was first contacted by RBI in January 1989. Transcript of deposition of Mr. Parker at 50-56 (Exhibit 1). He reviewed documents provided by a broker in March 1989. Id. He met with representatives of RBI and a bank which was the major secured creditor in May 1989, and commenced work on the company's bankruptcy project immediately. Id. Partel, Inc. and RBI entered into a Management Services Agreement for a term of 31 months commencing June 1, 1989 granting to Partel, Inc. a number of monetary considerations including the right to acquire a large block of RBI stock, a 25% interest in the net profits of RBI's television station and an interest in the profits of any future sale of the station until the year 2000. Exhibit 2. Minutes of RBI reflect that the agreement was approved by the stockholders in August 1989 and by the Board of Directors in September 1989. Statement of Mr. Cole attached as Exhibit 3.

12. Mr. Parker is the sole officer, director and stockholder of Partel, Inc. Exhibit 2 of Ownership Report filed with the subject renewal application, dated March 29, 1994, copy attached as Exhibit 4. Partel, Inc. was a vehicle in which Mr. Parker provided consulting and other services for a number of years. Mr. Parker testified that he believed the company was formed in the early 1980's. Deposition transcript at 49-50, 98-100 (Exhibit 5). The company was identified as such on January 7, 1988 in the record of an FCC proceeding for a new television



station in Avalon, California. Deposition transcript at 129-131 and deposition exhibit 6 (both attached as Exhibit 6 to this motion).

13. In the month of March 1989, when Mr. Parker reviewed the packet of information supplied by RBI's broker following the initial contact in January of that year, Mr. Parker filed a Chapter 7 bankruptcy petition (Exhibit 7<sup>1</sup>). Two months later, in the month of May 1989, at the time Mr. Parker was in Reading, Pennsylvania, commencing work on the RBI project in which his wholly-owned company of some years standing, Partel, Inc., acquired lucrative economic benefits, creditors of Mr. Parker were meeting in Seattle, Washington, to consider their plight in which a worthless \$45,000 claim against a failed television project in Anchorage, Alaska was the only asset shown to be available to pay debts in excess of \$1.4 million<sup>2</sup> (Exhibit 8).

14. Mr. Parker did not forget about Partel, Inc. in preparing his petition. He identified Partel, Inc. as a creditor, to whom he had made a payment in the amount of \$550 during the one-year period prior to his petition (Exhibit 7 at page 7) and to whom he listed a total indebtedness in the amount of \$117,000 for promissory notes and interest at the rate of 12%,

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<sup>1</sup> Since this document contains various sections, each commencing with page 1, Exhibit 7 has been numbered (in heavy ink) pages 1 through 67.

<sup>2</sup> The figure in the petition is \$1,402,576.78 (Exhibit 7 at 66). The total amount of the debts is greater, indeed it could be vastly greater, since no dollar amounts are shown for large numbers of the creditors (Exhibit 7 at 17-58).

to be discharged in the Chapter 7 proceeding (Exhibit 7 at 48). This information was included in a lengthy listing of hundreds of creditors, with an address for Partel, Inc. employing a post office box, i.e., "P. O. Box 1834, Auburn, Washington, 98071-1834" (Exhibit 7 at 48), providing the reader of the petition with no clue that Partel, Inc. might be owned by or have other relationships with Mr. Parker, whose address was listed as "22720 S.E. 410th, Enumclaw, Washington, 98022" (Exhibit 7 at page 1).

15. With regard to his assets, Mr. Parker listed various items of personal property totaling approximately \$7,800 (Exhibit 7 at 60-62), for all of which an exemption from the reach of creditors was claimed (Exhibit 7 at 64-65). The \$45,000 asset from the Anchorage venture was listed as "Totem Broadcasting, \$45,000 secured by UCC filing." Exhibit 7 at 61. This turned out to be worthless and the Trustee in Bankruptcy ultimately found that there were no assets available for distribution to the creditors. Exhibit 9.

16. With regard to assets under the category "stock and interests in incorporated and unincorporated companies," Mr. Parker listed two items: "1,200 shares in Centaur Enterprises, Inc. (no longer active)" and "27.1% interest in Mt. Baker Broadcasting Co. (no longer active)". Exhibit 7 at 61. He assigned zero dollar values to each. Id. Mr. Parker made no mention of Partel, Inc. under the category "stock and interests in incorporated and unincorporated companies" or anywhere else in the listing of his assets. Exhibit 7 at 59-63. Nowhere in the

petition does Mr. Parker indicate that he was the sole stockholder of Partel, Inc., or that he was its sole officer and director or that he had any connection with Partel, Inc. except as a debtor seeking relief from promissory notes and interest obligations. Exhibit 7.

17. The bankruptcy petition was signed by Mr. Parker on March 27, 1989. These statements were made by him under penalty of perjury. E.g., Exhibit 7 at 14, 15.

#### IV. Analysis

18. Mr. Parker and RBI cannot claim that the failure to identify Partel, Inc. as a wholly-owned corporation was through innocence or inadvertence. The company had been Mr. Parker's vehicle for engaging in business ventures for a number of years. His deposition testimony places this since the early or mid-1980's and the Avalon FCC hearing transcript provides an example as of January 1988. The company was used as Mr. Parker's vehicle for engaging in the Reading business venture in May 1989, with a formal commencement date of June 1, 1989. The company was in fact referred to in the bankruptcy petition, albeit as a creditor, so it cannot be said that the existence of Partel, Inc. somehow was unintentionally overlooked in the preparation of the petition. A deliberate intention to make false statements and misrepresentations in the bankruptcy proceeding on that score must be attributed to Mr. Parker.

19. Mr. Parker made those false statements and misrepresentations in March 1989 at a time when he had been

pitched by RBI and was considering involvement in the Reading bankruptcy opportunity. Mr. Parker allowed his personal bankruptcy record, containing those false statements and misrepresentations, to go unchanged and uncured and uncorrected in any way: (a) when a meeting of the creditors attended by Mr. Parker or his representative was held in May 1989 (Exhibit 8); (b) when Partel, Inc. commenced the economically advantageous relationship with RBI in May-June 1989 (Exhibits 1 and 2); (c) when an order discharging Mr. Parker's debts was entered in July 1989 (Exhibit 10); (d) when the stockholders of RBI approved the economically advantageous agreement with Partel, Inc. in August 1989 (Exhibit 3); (e) when the Trustee filed his report that no assets existed available for the creditors of Mr. Parker in August 1989 (Exhibit 9); (f) when the Board of Directors of RBI approved the economically advantageous agreement with Partel, Inc. in September 1989 (Exhibit 3); and (g) when the Bankruptcy Court in Seattle accepted the Trustee's determination of no available assets and closed Mr. Parker's bankruptcy proceeding on November 1, 1989 (Exhibit 11).

20. This conduct occurred both (a) within the ten-year policy limitation for raising character disqualification issues and (b) within the subject license term, and thus must be considered here. Character Policy Statement, supra. Nor can this conduct be discounted as a historical incident which occurred almost ten years ago. Our review of the minutes of meetings of the RBI during the subject license term, disclosure

of which has been vigorously resisted by RBI, shows that Dr. Aurandt, the founder, President and largest stockholder of RBI before Mr. Parker arrived on the scene, after having experienced an ongoing business relationship with Mr. Parker, publicly denounced him as a swindler. Exhibit 3.

21. Our review (over the strenuous objection of RBI) of the minutes of the licensee during the subject license term also shows that another local stockholder and director dating back to the beginnings of the company, Dr. Clymer, while supporting at least some of Mr. Parker's business judgments, characterized Mr. Parker as a liar and personally untrustworthy during a meeting of the directors of RBI in May 1990. Id.

22. All of which is nothing new to the Commission, an agency that cancelled a television construction permit in Anacortes, Washington, and denied a new television construction permit in San Bernardino, California, because of outrageously false and deceptive conduct on the part of Mr. Parker. Mt. Baker Broadcasting Co., Inc., 3 FCC Rcd 4777 (1988) and Religious Broadcasting Network, 2 FCC Rcd 6561, 6566-67 (Judge Gonzales 1987), aff'd, 3 FCC Rcd 4085, 4090 (Rev.Bd. 1988). Surely, the adage "three strikes and you're out" comes into play here.

23. Nor will it do to say that the misconduct of Mr. Parker occurred in a bankruptcy proceeding and is not cognizable by the FCC under its Character Policy Statement, supra. RBI has opened the door by claiming positive credit for Mr. Parker's past experience in broadcast bankruptcy matters. Moreover, broadcast

bankruptcy matters are inextricably tied -- indeed are central to -- his personal bankruptcy, which relates to the Anacortes television station construction permit involved in Mt. Baker Broadcasting, supra, the San Bernardino television station comparative proceeding involved in Religious Broadcasting Network, supra, the Anchorage television station explicitly mentioned by RBI as a positive element of Mr. Parker's past broadcast experience, a television station in Honolulu not mentioned by RBI in its discussion of Mr. Parker's past broadcast experience, and, currently and most importantly, RBI itself.

24. Anacortes, Washington television station. With regard to termination of the construction permit for station KORC-TV in Anacortes, Washington as a result of Mr. Parker's misconduct, the bankruptcy petition contains the following entries in the listing of creditors of Mr. Parker:

Reg Alvord, Alvord-Richardson Const., P.O.Box 172, Bellingham, WA 98227...Mt. Baker Broadcasting... \$8,816.95...Cont./disp./unliq. Exhibit 7 at 23.

Gowling & Henderson, Box 466, Sta. "A", Ottawa, Canada K1N 8S3...incurred 06/21/85...\$14,467.59...Mt. Baker Broadcasting...cont./disp./unliq. Exhibit 7 at 36.

Moss Adams & Assoc., 1001 Fourth Ave., #2900, Seattle, WA 98154-1106, incurred 9/01/85, \$80,000.00...Business plan for KORC TV...Promissory Note; amount owing is \$103,226.00. Exhibit 7 at 45.

Northwest Consultants, 1401 Astor St., Bellingham, WA 98225...\$4,831.43...Mt. Baker Broadcasting...Cont./disp./unliq. Exhibit 7 at 46.

25. San Bernardino, California television station. With regard to the San Bernardino comparative proceeding for a new station, the bankruptcy petition contains the following entries

in the listing of creditors of Mr. Parker:

Gary-Patricia Bobbitt, 1590 E. Bonita Vista Dr., San Bernardino, CA 92404...Shareholders in San Bernardino Valley Broadcasting, 1983...Cont./disp./unliq: Contingent. Exhibit 7 at 27.

Edwin & Joyan Illsey, 3428 Circle Rd., San Bernardino, CA 92405, Shareholders in San Bernardino Valley Broadcasting, 1983...Cont./disp./unliq: Contingent. Exhibit 7 at 39.

Sue Miller, 644 Alta Loma Dr., Redlands, CA 92373, Shareholder in San Bernardino Valley Broadcasting, 1983...Cont./disp./unliq: Contingent. Exhibit 7 at 44.

Wallace G. Miller, 4605 Brentwood Ln., San Bernardino, CA 92401, Shareholder in San Bernardino Valley Broadcasting, 1983...Cont./disp./unliq: Contingent. Exhibit 7 at 44.

Laurence Novak, 515 N. Arrowhead, #201, San Bernardino, CA 92401, Shareholder in San Bernardino Valley Broadcasting, 1983...Cont./disp./unliq: Contingent. Exhibit 7 at 46.

Chars.-Josephine Strebig, 4244 Quail Canyon Rd., San Bernardino, CA 92404, Shareholder in San Bernardino Valley Broadcasting, 1983...Cont./disp./unliq: Contingent. Exhibit 7 at 53.

26. Anchorage, Alaska television station. The "Motion As to Past Broadcast Experience of Principals of Reading Broadcasting, Inc." states as follows: "Mr. Parker was president, a director and a shareholder of Totem Broadcasting, Inc., licensee of commercial television station KTBV, Anchorage, Alaska, from approximately 1982 until 1984, during the construction and initial operation of the station." While RBI has disclosed Mr. Parker's past broadcast experience in certain bankruptcies, RBI has not mentioned Mr. Parker's bankruptcy experience relative to the Anchorage station. Background information in that matter, subject to the customary caution for the reliability of news articles, may be found in an article

entitled "Controversy follows Parker into business world, Ex-Mayor busy building water slides, TV stations but finds stormy times" in The News Tribune, Tacoma, Washington, on August 19, 1984 (Exhibit 12) and in that same newspaper on July 20, 1985, an article entitled "TV station begun by ex-mayor in trouble, Bankruptcy action sought by creditors" (Exhibit 13).

27. With regard to the Anchorage station, the bankruptcy petition contains the following entries in the listing of lawsuits, executions and attachments relative to Mr. Parker:

Alaska Bankruptcy Court, Federal Bldg., 701 C St., Anchorage, AK 99513, Totem Broadcasting, Debtor; Trustee v. Bradley, IRS & Parker, Case No. 3-85-00199-003, Adversary Proceeding. Exhibit 7 at 5.

Superior Court of Alaska, Hunstiger v. Parker, Parker d/b/a Parker & Associates, and Totem Broadcasting Corporation, Cause No. 4AN-84-1524 Civil; filed 2/17/84...Result: Motion denied 1/22/86. Exhibit 7 at 6.

The bankruptcy petition contains the following entries in the listing of creditors of Mr. Parker:

Ross & Mattie Anderson, 9909 Peacock Hill Rd., Gig Harbor, WA 98335...Shareholder in Totem Broadcasting Corporation, Bankrupt...Cont./disp./unliq.: Contingent. Exhibit 7 at 24.

William D. Artus, Atty for Trustee, 639 "L" St., Ste. 101, Anchorage, AK 99501...Attorney for plaintiff-trustee in Case No. 3-85-00199-003 (also listed under "lawsuits" above). Exhibit 7 at 25.

Ronald K. Bardley, c/o Roger Beatty, 1400 W. Benson Blvd. #1, Anchorage, AK 99503, Case No. 3-85-0019-003 (also listed under "lawsuits" above). Exhibit 7 at 28.

Dr. Richard L. Day, 3760 Amber Bay Loop, Anchorage, AK 99504...Shareholder in Totem Broadcasting Corporation, Bankrupt...Cont./disp./unliq.: Contingent. Exhibit 7 at 31-32.

Mr/Mrs Wallace Gudgell, P.O.Box 203, Eastsound, WA 98245... Shareholder in Totem Broadcasting Corporation, Bankrupt...



Cont./disp./unliq.: Contingent. Exhibit 7 at 36.

Patrick A. Hunstiger, c/o Ron Zobell, 921 W. Sixth Ave., Anchorage, AK 99501, Superior Court, Case No. 3AN-84-1524 Civil (also listed under "lawsuits" above). Exhibit 7 at 39.

Northacre Corporation, 510 "L" St., #700, Anchorage, AK 99501...\$4,608.95...Guess & Rudd, Attys, assigned this claim to Northacre on 2/20/86...Cont./disp./unliq. Exhibit 7 at 46.

Norman Sommers, c/o Mullavey Prout, P.O.Box 70567, Seattle, WA 98107...\$43,137.13...Incurred 11/10/83...Judgement re sale of stock in Totem Broadcasting; judgment filed 4/20/86; amount \$43,137.13; promissory note was in amount of \$29,000.00...Cont./disp.unliq. Exhibit 7 at 53.

As indicated earlier (§15), the single asset listed by Mr. Parker as available for creditors in his personal Chapter 7 proceeding was a \$45,000 promissory note from Totem Broadcasting Corporation, which was found to have no value.

28. Honolulu, Hawaii television station. Exhibit 1 of the Ownership Report filed with the subject renewal application, dated March 29, 1994, refers to an interest of Mr. Parker in Pacific Rim Broadcasting Co., permittee of KPRR-TV in Honolulu, Hawaii. Exhibit 14 attached. This interest is not mentioned in RBI's statement regarding past broadcast experience, either generally or with regard to past experience in broadcast bankruptcies. With regard to Pacific Rim Broadcasting Co., Mr. Parker's personal bankruptcy petition contains the following entries in the listing of his creditors:

Columbia Reporting Service, depositions for Pacific Rim Broadcasting proceedings; billings addressed and being sent to Ted Coulson of Foster Pepper...Cont./disp./unliq. Exhibit 7 at 30.

Rancis & Carolyn Oda, 924 Bethel St., Honolulu, HI 96813...

Shareholders in Pacific Rim Broadcasting Co., Bankrupt...  
Cont./disp./unliq.: Contengent. Exhibit 7 at 46.

Dennis & Emma Rupp, 2657 S. Cedar St., Tacoma, WA 98405...  
Shareholders in Pacific Rim Broadcasting Co., Bankrupt...  
Cont./disp./unliq.: Contengent. Exhibit 7 at 50.

Stewart Stabley, 1543 Mahie Pl., Honolulu, HI 96818...  
Shareholder in Pacific Rim Broadcasting Co., Bankrupt...  
Cont./disp./unliq.: Contengent. Exhibit 7 at 53.

29. Reading, Pennsylvania television station. The melancholy nexus between Mr. Parker's personal bankruptcy and broadcasting matters directly regulated by the Commission has current application to RBI and its television station. RBI has embraced Mr. Parker, whose false statements and misrepresentations concealed an asset from broadcast station creditors in Washington, California, Alaska and Hawaii, and RBI has embraced Partel, Inc., the asset that was thusly concealed by Mr. Parker. The scope of that embracement was immediate and profound.

30. Commencing virtually upon his initial visit to Reading in May 1989, Mr. Parker through Partel, Inc. was granted plenary powers regarding management of RBI's television station with attendant economic incentives and benefits. He soon became President of Reading Broadcasting, Inc. and by the end of the license term in 1984, his long time colleague and employee of Partel, Inc., Linda Hendrickson, had become the Vice President of RBI, page 3 of ownership report filed with the subject renewal application, dated March 29, 1994 (Exhibit 15); deposition testimony at 98-99 (Exhibit 5), and Partel, Inc. held the largest block of voting stock (approximately 30%) of RBI (Exhibits 4 and

15.

31. Currently, Mr. Parker owns 40.1723% of the voting stock and holds a proxy coupled with an interest for 9.1205% of the voting stock, an aggregate of 49.2928% of the voting stock. Exhibit 2 of ownership report dated March 31, 1999 (entire report attached as Exhibit 16 of this motion); deposition testimony at 131-32 and deposition exhibit 7 (both attached as Exhibit 17 of this motion). While the arithmetic is a miniscule fraction less than 50%, who is RBI kidding? In order to go against the wishes of Mr. Parker and/or Partel, Inc., all of the other some 100 stockholders, including those who may have ties with Mr. Parker, would have to attend a meeting (in person and by proxy) and vote with total unanimity.<sup>3</sup>

#### V. Conclusions

32. It bears mentioning that this proceeding reflects the confluence of three of the most notable manipulators of the Commission's processes in recent memory, i.e., Mr. Parker, Dr. Eugene Scott and Thomas Root. Dr. Scott lost no fewer than four television licenses some years ago, Faith Center, Inc., 45 RR2d 709 (1980). When the FCC declined to grant the assignment of a

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<sup>3</sup> The entire listing of the some 100 stockholders may be found in the Appendix to Exhibit 3 of the ownership report (Exhibit 16). A number of the stockholders do not live in the Reading area and became stockholders during or since the license term. Mr. McCracken, the Executive Vice President who is in charge of station operations pursuant to the appointment of Mr. Parker, the President, alone holds a sufficient percentage (0.8342%) to increase Mr. Parker's votes over the limit (i.e., from 49.2928% to 50.1270%).

license for a short-wave radio station in Dallas, Texas, to one Christine Shaw because of her ties to Dr. Scott, Mr. Parker, who was serving as an FCC consultant to Ms. Shaw, stepped into her shoes for the sum of \$1,000, obtained the license, and has since broadcast Dr. Scott's programming on the station wall-to-wall throughout the entire broadcast day and week. Deposition testimony of Mr. Parker at 29-31, 145 and deposition exhibit 10 (all attached as Exhibit 18 of this motion); FCC letter to Ms. Shaw dated June 20, 1991 (Exhibit 19).

33. Mr. Parker paid a dollar to acquire the stock of a permittee of a new television station in Twenty-Nine Palms, California, from his client who also served as Ms. Shaw's engineering consultant and has since telecast Dr. Scott's programming virtually wall-to-wall on that station as well. Deposition testimony of Mr. Parker at 26-29, 132-38 and deposition exhibit 8 (all attached as Exhibit 20 of this motion). When asked about other broadcasters who turned their stations over to virtual wall-to-wall carriage of Dr. Scott's programs, Mr. Parker said there were others but could name only satellite outlets in the Caribbean. Deposition testimony at 142, included in pages 138-144 attached as Exhibit 21.

34. RBI's station carries Dr. Scott on Sunday mornings. Deposition testimony at 138-40 (Exhibit 21). The minutes reflect that Dr. Scott was willing to agree to carriage only if Partel, Inc. continued to be in charge of management of the station. Exhibit 3. Mr. Parker testified that he has been a close friend

and supporter of Dr. Scott for about 14-15 years. Deposition at 140, 143-44 (Exhibit 21); deposition exhibit attached as Exhibit 22 of this motion.

35. Mr. Root, who formerly was counsel for Mr. Parker and for clientele of his consulting business, is another matter. He has been disbarred and therefore cannot practice law. The Commission has made it clear that the agency would be concerned if there were any indication that Mr. Root is influencing the operation of a broadcast station. The Petroleum V. Nasby Corporation, 8 FCC Rcd 4035, 4036, ¶7 (1993). The factual mosaic is one of unmasked defiance by Mr. Parker and RBI on this score.

36. Mr. Root holds the position of Special Assistant to the President, i.e., Mr. Parker. Under questioning to determine what Mr. Root did in that capacity, the following colloquy took place:

Q. Do you now or within the past several years have you at Reading Broadcasting Company employed the services of Tom Root?

Mr. Hutton: I'm going to object on the grounds of relevance because it doesn't relate to the license renewal term. I'll let the witness answer because it's a matter of record already in this case.

A. Yes.

Q. In what capacity?

Mr. Hutton: Same objection.

A. I think I have him as, on special projects.

Q. What special projects?

Mr. Hutton: Same objection.

A. Whatever I assign him to.

Q. What have you assigned him to?

Mr. Hutton: Same objection.

- A. Answer the question? How can I describe what I assigned. I have used his expertise to, let's see, how do I describe it. I have utilized his expertise to advise me on a number of, a number of issues, everything from cable coverage to traffic system at the station, a wide variety -- a wide variety of activities throughout the station.

Deposition testimony at 149-150 (included in Exhibit 23 containing testimony at pages 149-161) [emphasis supplied].

37. Mr. Parker testified that he is in contact with Mr. Root approximately three times a week regarding Reading Broadcasting matters. Deposition testimony at 151 (Exhibit 23). Mr. Root spends about one week in Reading every month or every two months. Deposition testimony at 152 (Exhibit 23). Mr. Root is the recipient of a copy of a discovery document produced by RBI in this litigation. Deposition exhibit 13 attached to this motion as Exhibit 24. This was the subject of the following colloquy:

- Q. Exhibit 13 is a document that has been provided to Adams Communication in the discovery phase of our current proceeding.

Do you know why, sir, Mr. Root received a copy of this?

- A. Well it appears because George Mattmiller sent it to him.

- Q. Did you delegate to Mr. Mattmiller responsibilities for for deciding what to engage Mr. Root in?

- A. Well, Mr. Mattmiller is the assistant general manager of the station and he has the power to call upon anybody who works for me, or for the station.

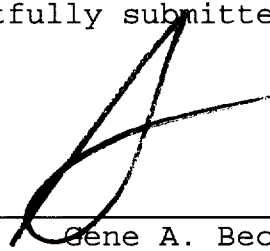
Deposition transcript at 160-161 (Exhibit 23) [emphasis supplied].

38. Reading Broadcasting, Inc. has registered the internet domain name WTVE.COM with Network Solutions. The address for Reading Broadcasting, Inc. is listed as 1729 North 11th Street in Reading. However, the telephone and telecopier numbers are not those for the company or its station in Reading. Three contact persons are listed: Mr. Root is listed as the billing contact, telephone 419-668-4080, telecopier 419-668-4077. One Mike Cowan is listed as the administrative contact, same area code 419 telephone and telecopier numbers. One John Rock as listed as the technical contact, same area code 419 but different numbers, i.e., telephone 668-4894, telecopier 668-4894. Deposition exhibit 12 (attached as Exhibit 25 of this motion). Mr. Parker acknowledged that area code 419 was for Mr. Root's home area in Norwalk, Ohio. Mr. Parker does not know who Messrs. Cowan or Rock are or what they may be doing or may have done for Reading Broadcasting, Inc. Deposition testimony at 153-58 (Exhibit 23).

39. Before the odyssey of this proceeding runs its course, the Commission cannot avoid addressing the nexus of Dr. Scott and Mr. Root with Mr. Parker. The instant motion, while filed in the milieu of that trinity, is addressed to the compelling need to specify an issue to determine if the facts regarding the false statements and misrepresentations of Mr. Parker in his personal broadcast-related bankruptcy proceeding require the disqualification of RBI which has embraced him as its dominant

principal.

Respectfully submitted,

A handwritten signature in dark ink, appearing to be 'Gene A. Bechtel', written over a horizontal line.

Gene A. Bechtel

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Counsel for Adams Communications  
Corporation

October 18, 1999



LIST OF EXHIBITS

<u>Number</u>	<u>Description</u>
1	Deposition testimony of Mr. Parker re commencement of relationship with RBI
2	Management Services Agreement between RBI and Partel, Inc.
3	Statement of Harry F. Cole, Esq. re review of RBI minutes
4	Exhibit 2 of ownership report filed with the subject renewal application of RBI, dated March 29, 1994, re Partel, Inc.
5	Deposition testimony of Mr. Parker re Partel, Inc.
6	Deposition testimony of Mr. Parker with related deposition exhibit re transcript from FCC's Avalon proceeding re Partel, Inc.
7	Bankruptcy petition filed by Mr. Parker in Seattle, Washington
8	Notice of meeting of creditors in Mr. Parker's bankruptcy proceeding
9	Trustee's Report in Mr. Parker's bankruptcy proceeding
10	Discharge Order in Mr. Parker's bankruptcy proceeding
11	Order approving Trustee's Report and closing Mr. Parker's bankruptcy proceeding
12	News article in <u>The News Tribune</u> , Tacoma, Washington, dated August 19, 1984
13	News article in <u>The News Tribune</u> , Tacoma, Washington, dated July 25, 1985
14	Exhibit 1 of ownership report filed with the subject renewal application of RBI, dated March 29, 1994, re Pacific Rim Broadcasting Co.
15	Page 3 of ownership report filed with the subject renewal application of RBI, dated March 29, 1994, re Linda Hendrickson and re Partel, Inc. holdings of RBI voting stock